

Message Text

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21

ORIGIN OPIC-06

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DRAFTED BY OPIC/ID/NEA:FMCLJOHNSTON:YKR

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R 202355Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC PROGRAM IN PORTUGAL

REF: LISBON 4375

1. OPIC PREPARED TO RESUME INVESTMENT INCENTIVE PROGRAM UNDER 1948 ECONOMIC COOPERATION AGREEMENT, AS AMENDED, WHICH IS STILL IN FULL FORCE AND EFFECT. OPIC CONCURS IN GOP DESIRE TO UPDATE THAT AGREEMENT AND IS PREPARED TO BEGIN DISCUSSIONS TO EFFECT THIS. IN THE MEANTIME OPIC INVESTMENT INCENTIVE PROGRAMS CAN BE OPERATED UNDER EXISTING AGREEMENT UPON EXCHANGE OF NOTES INDICATING GOP DESIRE TO RESUME PROGRAMS.

2. SUGGEST FOLLOWING TEXT OF NOTE RESUMING INVESTMENT INCENTIVE PROGRAMS:

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QUOTE

EXCELLENCY:

---I HAVE THE HONOR TO REFER TO THE ECONOMIC COOPERATION AGREEMENT EFFECTED BY EXCHANGE OF NOTES ON SEPTEMBER 28, 1948, AS AMENDED, BETWEEN OUR TWO GOVERNMENTS ON THE

SUBJECT OF U.S. GOVERNMENT INVESTMENT INSURANCE AND GUARANTIES.

---THE UNITED STATES GOVERNMENT IS PLEASED TO ADVISE YOUR GOVERNMENT THAT, IF YOUR GOVERNMENT AGREES, THE UNITED STATES INVESTMENT INCENTIVE PROGRAMS WHICH ARE AUTHORIZED BY THE AFOREMENTIONED AGREEMENT AND WHICH ARE NOW ADMINISTERED BY THE OVERSEAS PRIVATE INVESTMENT CORPORATION CAN BE RESUMED IN CONNECTION WITH ACTIVITIES WHICH ARE APPROVED BY THE GOVERNMENT OF PORTUGAL.

---ACCEPT, EXCELLENCY,END QUOTE

3. PLEASE ADVISE OPIC WHICH GOP MINISTRY IS COMPETENT TO GIVE PROJECT APPROVALS PURSUANT TO ECONOMIC COOPERATION AGREEMENT. APPLICANTS FOR OPIC ADMINISTERED PROGRAMS WILL BE ADVISED TO OBTAIN REQUISITE GOP APPROVAL FROM THAT MINISTRY. SIGNED COPY OF GOP APPROVAL MUST BE TRANSMITTED THROUGH EMBASSY TO OPIC.

4. GOP APPROVING MINISTRY SHOULD BE ADVISED OF PROCEDURE DESCRIBED IN PARA 3. EMBASSY SHOULD PROVIDE APPROVING MINISTRY WITH DESCRIPTIVE MATERIALS ON OPIC AND OPIC PROGRAMS (MATERIALS BEING POUCHED). OPIC WOULD PREFER TO STANDARDIZE THE FORM OF GOP APPROVAL LETTER AND ASKS THAT EMBASSY SUGGEST THE FOLLOWING TEXT BE USED BY APPROVING MINISTRY.

QUOTE

OVERSEAS PRIVATE INVESTMENT CORPORATION, C/O AMERICAN EMBASSY, LISBON, PORTUGAL. SIRS: OUR GOVERNMENT HAS BEEN LIMITED OFFICIAL USE

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ADVISED BY (NAME OF INVESTOR) THAT IT HAS PROPOSED TO MAKE AN INVESTMENT IN (NAME OF FIRM RECEIVING INVESTMENT) FOR THE PURPOSE OF (DESCRIPTION OF PROJECT).

---(INVESTOR) HAS INFORMED THE GOVERNMENT OF PORTUGAL THAT IT IS APPLYING TO THE OVERSEAS PRIVATE INVESTMENT CORPORATION, AN AGENCY OF THE UNITED STATES GOVERNMENT, FOR INVESTMENT INSURANCE AND/OR GUARANTIES FOR THIS

PROJECT.

---I WISH TO INFORM YOU THAT THE PROJECT OF (NAME OF FIRM RECEIVING INVESTMENT) HAS BEEN APPROVED BY THE GOVERNMENT OF PORTUGAL IN ACCORDANCE WITH ARTICLE III OF THE ECONOMIC COOPERATION AGREEMENT OF 1948, AS AMENDED, BETWEEN THE UNITED STATES OF AMERICA AND PORTUGAL FOR THE PURPOSE OF

INVESTMENT INSURANCE AND GUARANTIES THAT MAY BE ISSUED BY THE OVERSEAS PRIVATE INVESTMENT CORPORATION OR PURSUANT TO ARRANGEMENTS BETWEEN OPIC AND OTHER INSURERS OR

REINSURERS.

SINCERELY YOURS,

(NAME OF MINISTER) END QUOTE.

5. UPON EMBASSY NOTIFICATION TO OPIC OF EXCHANGE OF NOTES WITH GOP, OPIC WILL ADVISE INTERESTED INVESTORS OF PROGRAM RESUMPTION. WITH REGARD TO ISSUANCE OF NEW INSURANCE, OPIC INTENDS TO TAKE INTO CONSIDERATION PROGRESS TOWARD RESOLUTION OF OUTSTANDING DISPUTES INVOLVING U.S. INVESTORS.

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6. WOULD VERY MUCH APPRECIATE EMBASSY VIEWS ON HOW OPIC INSURANCE MIGHT BE USED TO FACILITATE RESOLUTION OF INVESTMENT DISPUTES IN PORTUGAL. KISSINGER

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